

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company
Proposing a Market Structure and Rules for the
Northern California Natural Gas Industry for the
Period Beginning January 1, 2003 as Required by
Commission Decision 01-09-016. (U 39 G)

Application 01-10-011
(Filed October 8, 2001)

**ADMINISTRATIVE LAW JUDGE'S RULING
REGARDING THE MOTION TO EXTEND TESTIMONY FILING DATE**

Summary

On November 22, 2002, Pacific Gas and Electric Company (PG&E) filed a motion "To Extend Testimony Filing Date, and Request for Shortened Response Time." PG&E's motion requests that the Commission extend by 60 days the due date for submitting its prepared testimony on the issues identified in the February 26, 2002 Scoping Memo regarding the gas structure and rules for 2004, and that all of the other procedural dates established in the September 30, 2002 ruling be extended by the same amount of time. Under the existing schedule, PG&E's opening testimony is due on December 9, 2002, and evidentiary hearings are to be held from March 10, 2003 through March 19, 2003.

Today's ruling grants PG&E's motion to extend the current procedural schedule on the terms and conditions specified in this ruling. The current procedural schedule shall be revised with PG&E's testimony due on January 13, 2003, and evidentiary hearings to begin on April 1, 2003 through April 7, 2003.

Background

PG&E's motion requests that instead of submitting its opening testimony on December 9, 2002, that it be given until February 7, 2003. In addition, PG&E requests that the existing procedural schedule, as set forth in the September 30, 2002 ruling, be extended by 60 days. PG&E seeks the extension because the September 30, 2002 ruling expanded the type of information that PG&E must submit. PG&E also cites the filing of its general rate case which required the attention of many of the same individuals working on the prepared testimony.

Responses to PG&E's motion were filed by Calpine Corporation (Calpine), Canadian Association of Petroleum Producers (CAPP), Duke Energy North America and Duke Energy Trading and Marketing (Duke Energy), the Northern California Generation Coalition (NCGC), the Office of Ratepayer Advocates (ORA), and The Utility Reform Network (TURN).

Calpine is not opposed to PG&E's extension request so long as PG&E agrees that it will not seek any further extensions of the procedural schedule in the future. TURN does not oppose the motion based on its understanding that PG&E's request would extend the rest of the schedule by the same amount of time. Duke Energy supports PG&E's motion for an extension so that PG&E will have a reasonable opportunity to present a full and comprehensive proposal, including the cost-of-service study, as contemplated in the September 30, 2002 ruling. ORA has no objection to the request for an extension, but believes that a longer extension is warranted given the complexity of the information that PG&E is to supply.

Both CAPP and NCGC are opposed to PG&E's extension request, and point out that PG&E filed a similar motion on September 5, 2002. Although the dates requested by PG&E in its September 5, 2002 request were not adopted in

the September 30, 2002 ruling, PG&E's November 22, 2002 motion seeks the same kind of schedule as requested in PG&E's September 5, 2002 motion. CAPP also points out that PG&E's request for an extension is more than what the parties agreed to when the Gas Accord II Settlement Agreement was signed. NCGC states that if the full extension is granted, that would jeopardize any possibility of putting new rates and a revised operational structure in place for PG&E by January 1, 2004.

Discussion

In the September 30, 2002 ruling, concern was expressed that the schedule which PG&E sought in its September 5, 2002 motion, could interfere with the timely processing of the Scoping Memo issues. However, due to the issuance of Decision (D.) 02-08-070, the need for an accelerated schedule was not as pressing and the schedule in the September 30, 2002 ruling was adopted. PG&E now seeks to extend all of the dates in the September 30, 2002 ruling by an additional 60 days.

Although the September 30, 2002 ruling required PG&E to submit additional information, an extension of 60 days would result in a proposed decision being issued sometime in September or October 2003. Due to the additional steps and processes that would be needed to implement the adopted decision before the end of 2003, NCGC's concern that a gas structure would not be in place at the beginning of 2004 is well-founded.

A shorter extension of time will be granted in recognition of the information required by the September 30, 2002 ruling. All of the dates for the procedural schedule will be extended by approximately 30 days. Accordingly, the following procedural schedule to resolve the issues identified in the February 26, 2002 Scoping Memo, at pages 14 to 15 of D.02-08-070, and to

provide the information identified in the September 30, 2002 ruling, shall be as follows:

PG&E Opening Testimony	January 13, 2003
Other Parties' Opening Testimony	February 28, 2003
Rebuttal Testimony (all parties)	March 24, 2003
Evidentiary Hearing	April 1-7, 2003
Additional Hearing Days if needed	April 8-10, 2003
Opening and Reply Briefs	To be decided.
Proposed Decision	To be decided.

IT IS RULED that:

1. Pacific Gas and Electric Company's (PG&E) November 22, 2002 request to extend the testimony filing date and related hearing schedule is granted on the terms and conditions specified in this ruling. The procedural schedule set forth in the September 30, 2002 ruling shall be revised as set forth below.

- a. The procedural schedule for the service of opening and reply testimony on the issues identified in the February 26, 2002 Scoping Memo, in Decision 02-08-070, and as set forth in the September 30, 2002 Administrative Law Judge's ruling, shall be revised as follows: (1) PG&E shall serve its opening testimony on the service list to this proceeding on or before January 13, 2003; (2) the other parties shall serve their opening testimony on or before February 28, 2003; (3) all parties shall serve their rebuttal testimony on or before March 24, 2003; and (4) evidentiary hearings will commence on April 1, 2002 at 10:00 a.m., in the Commission's Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, and continue through April 7, 2003. Additional hearing dates shall be reserved for April 8-10, 2003, should they be needed.

Dated December 9, 2002, at San Francisco, California.

/s/ JOHN S. WONG

John S. Wong
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Regarding the Motion to Extend Testimony Filing Date on all parties of record in this proceeding or their attorneys of record.

Dated December 9, 2002, at San Francisco, California.

/s/ TERESITA C. GALLARDO

Teresita C. Gallardo

N O T I C E

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